



Ernie Fletcher  
Governor

Mark David Goss  
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LaJuana S. Wilcher, Secretary  
Environmental and Public  
Protection Cabinet

Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

Teresa J. Hill  
Vice Chairman

Christopher L. Lilly  
Commissioner  
Department of Public Protection

September 6, 2006

Kathy Moyers  
Office Manager  
Whitley County Water District #1  
19 S. Highway 25W  
Williamsburg, KY 40769

RE: Case No. 2006-00367  
Whitley County Water District #1

The Commission staff has reviewed your response and has determined that your application in the above case now meets the minimum filing requirements. Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further assistance, please contact George Wakim at 502/564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Mike Burford".

Mike Burford  
Director Division of Filings

MB/MB  
Enclosure

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**RECEIVED**  
AUG 1 2006  
PUBLIC SERVICE  
COMMISSION

In the Matter of:

**THE APPLICATION OF WHITLEY COUNTY WATER DISTRICT FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO CONSTRUCT, FINANCE AND INCREASE RATES PURSUANT TO KRS 278.023.**

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)  
) Case No. 2006-00367  
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**A P P L I C A T I O N**

This Application of the Whitley County Water District ("Applicant") of Whitley County, Kentucky, respectfully shows:

1. That Applicant is a water district of Whitley County, Kentucky, created and existing under and by virtue of Chapter 74 of the Kentucky Revised Statutes.

2. That the post office address of Applicant is:

Whitley County Water District  
c/o Ms. Kathy Moyers, Manager  
19 South Highway 25W  
Williamsburg, Kentucky 40769-1601

3. That Applicant, pursuant to the provisions of KRS 278.020 and 278.023, seeks (i) a Certificate of Public Convenience and Necessity, permitting Applicant to construct a waterworks construction project, consisting of extensions, additions, and improvements (the "Project") to the existing waterworks system of Applicant; (ii) an Order approving revised rates; and (iii) approval of the proposed plan of financing said Project.

4. That the proposed project includes the installation of approximately 78,700 linear feet of water lines and appurtenances and the construction of a 100,000 gallon water storage tank, which will serve approximately 100 new customers in the District's territory.

5. That Applicant proposes to finance the construction of the Project through (i) the issuance of \$295,000 of its Waterworks Revenue Bonds; (ii) a USDA, Rural Development ("RD") Grant in the amount of \$350,000; (iii) an Appalachian Regional Commission ("ARC") grant in the amount of \$400,000; (iv) a State Tobacco Fund grant in the amount of \$600,000; and (v) a